

pre-approved an agent applying for said bond;

selecting the type of bond;

transmitting the information obtained electronically to said surety company,

requesting approval of the bond from said surety company,

upon approval of the bond by the surety company providing the contractor with a  
code for accessing the bond

providing an owner/obligee with said code at the bid letting.

permitting said obligee to log onto the system through the use of said code to  
review the bond.

#### REMARKS

Applicant has cancelled the presently pending independent claims and added new claims 38-47. A check in the amount of \$174.00 is enclosed to cover the fee for the additional claims. New independent claims are submitted as they more accurately define applicant's invention and overcome the Examiner's rejection under section 112. Support for the claim amendments can be found in the Figures primarily Figures 5-12A and in the specification at pages 4-5 and 12 and 15-19.

The claims have been rejected as being unpatentable in view of published application 2002/0026334 to Igoe. Igoe discloses a method of obtaining insurance quotes over the Internet. Information about an applicant is collected from a user and an insurance quote is generated based on the information collected from the user. The user receives the quote along with a list of available agents who will provide insurance based

on the quote. Where the insurance company uses captive agents the information is provided to the user as if the selected agent was providing the quote directly to the user.

For example, the Summary of the Invention in Igoe states:

[0012] The method and apparatus of the present invention allow insurance agents to virtually present insurance quotes to potential clients over the Internet. This is accomplished by first collecting information from a user and generating an insurance quote based on the information collected from the user. An agent list is then presented to the user, who, in turn, selects an agent from the agent list. Finally, the insurance quote is presented to the user together with information regarding the selected agent.

[0013] As a result, the insurance quote is presented to the user as if the selected agent were actually providing the quote directly to the user. This presentation mode allows captive agents to maintain their exclusive quote presentation role with users of the system, while, at the same time, eliminating the time delay introduced by the off-line quoting process.

The present invention is directed to a completely different system. The user in the present invention is not seeking quotes from an insurance company or its agent. In the present invention, an applicant, for example, a contractor, who is required by an owner/obligee to obtain a surety bond applies for a surety bond from a surety bond company through an agent. Information about the applicant required by the surety company is provided to the surety company. Once the bond is approved, the applicant receives an authorization code and provides the code to the owner/obligee, a third party who can obtain the approved bond through the use of the code.

The Igoe patent application is directed to a two party arrangement. An insured and an insurance company. This is not a surety bond. A surety bond is a three party agreement where the surety company assures the obligee (owner) that the principal or contractor will perform a contract. Igoe is directed to a traditional insurance contract

where the agreement compensates the insured against unforeseen adverse events. The policy premium is actuarially determined based on aggregate premiums earned versus expected losses. Surety companies operate on a completely different business model. Surety is designed to prevent loss. The surety qualifies the contractor based on financial strength and construction expertise. Since the bond is underwritten with little expectation of loss, the premium is primarily a fee for the qualification services. Surety bonds offer assurance that the contractor is capable of completing the contract on time, within budget and according to specifications. Requiring a bond not only reduces the risk of default but with a surety bond the owner has peace of mind. The burden of construction risk caused by the applicant is transferred from the owner to the surety company. Surety bonds have been required from contractors dealing with the U.S. government since at least 1893. Most state and local municipalities also require surety bonds for their contractors.

In Igoe the applicant, in obtaining insurance is transferring risk from the applicant to the insurance company. In a surety bond, the owner of the property requires a contractor to obtain a surety bond from the surety company to protect the owner from one or more risks. These risks can include the risk that the project will not be completed, the risk that the subcontractor and material suppliers will not be paid and others. This is not taught or suggested by Igoe.

The present invention is directed to a method of obtaining a surety bond. A surety is selected from a list of one or more sureties that have approved an agent to issue surety bonds. The surety bonds of the present invention are provided by a surety through one of its agents. This step is not present in the Igoe patent application as neither the user nor

the agent in Igoe selects the surety from one or more sureties that have approved an agent to issue a surety bond on the surety's behalf.

The present invention also requires that the surety is provided with the identity of the applicant requesting the bond and such other information as the surety may require about the applicant. The information is provided to the surety over a computer network. Once the surety receives the information about the applicant the surety makes a decision on whether to issue the bond. Once the bond has been approved, an authorization code is provided by the surety or the agent to the applicant. The applicant provides the authorization code to the third party requiring the bond. This party is not the applicant, agent and it is not the surety. This feature is not present in the Igoe patent application. There is no suggestion in Igoe that a third party not connected to the agent or the insurance company receives the information on an approved bond or the approved bond. The present invention also requires that the bond is issued to the third party by the surety through the computer network after receipt of the authorization code from the third party. This feature is also not taught or suggested by Igoe and is one of the key features of the present invention. When for example a contractor needs a bid bond for a project, currently, the contractor must provide a paper bond issued by the agent. Most sureties have to rely on the good faith and care of their agents in issuing these bonds to the contractor. Furthermore, once the paper document i.e. bond leaves the agent's hands, the document can be altered or even used by unauthorized third parties or can be used for different jobs than the job originally applied for. These risks are reduced in the present

invention as the surety can identify the specific project and the receiving party if desired.

Igoe is a quoting mechanism whereby an applicant can obtain a quote for an insurance policy. No policy is delivered to a third party in Igoe. In Applicant's invention a third party who requires the bond is permitted to use an authorization code to access the bond issued by the surety.

Claim 46 is further patentable over the art of record. This claim is directed to a method of obtaining a surety bond over a computer network. The claim requires that the name of a contractor, the identity of an owner/obligee, the identification of the bond form, the estimated contract price, and a description of the job be provided. There is no teaching or suggestion of this feature of Claim 46 in the Igoe patent.

Claim 46 also requires that the type of bond is selected from the group of bonds consisting of bid bonds, contract bonds, court bonds, subdivision bonds, license bonds, permit bonds, small business administration bonds, bail bonds and supersede as bonds. This feature is also not taught or suggested by Igoe.

Claim 46 is patentable for an additional reason. Claim 46 requires that the owner/obligee is provided with an authorization code to review the bond. There is not provision or suggestion in Igoe for a third party to review a bond as required by this claim.

The other reference relied on by the Examiner, the Reliance article does not overcome the deficiencies of the Igoe patent application. In fact, at the date of the article Reliance uses facsimile transmissions from agents to prepare quotes for surety bonds. It was a hope expressed in the article that at some time in the future an agent could

apply for a surety bond on line. The Reliance article does not teach or suggest Applicant's claimed invention either alone or combined with Igoe.

#### CONCLUSION

For the foregoing reasons Applicant requests reconsideration and allowance of the present application.

Respectfully submitted,



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## Clean Copy of Claims

1. (Cancelled)
2. (Amended) The method according to claim 38 wherein a contractor is provided with said authorization code that is presented at a bid letting along with said contractor's bid, said authorization code permitting an owner/obligee to receive an approved bond through said computer network.
3. (Amended) The method according to claim 38 wherein the bond is a surety bond.
4. (Amended) The method according to claim 38 wherein the bond is a bid bond.
5. (Amended) The method according to claim 38 wherein the bond is a contract bond.
6. (Amended) The method according to claim 38 wherein the bond is a court bond.
7. (Amended) The method according to claim 38 wherein the bond is a subdivision bond.
8. (Amended) The method according to claim 38 wherein the bond is a performance bond.
9. (Amended) The method according to claim 38 wherein the bond is a customs bonds.
10. (Amended) The method according to claim 38 wherein the bond is a notary bond.

11. (Amended) The method according to claim 38 wherein the bond is a liquor license bond.

12. (Amended) The method according to claim 38 wherein the bond is a license bond.

13. (Amended) The method according to claim 38 wherein the bond is a permit bond.

14. (Amended) The method according to claim 38 wherein the bond is a Small Business Administration bond.

15. (Amended) The method according to claim 38 wherein the bond is a bail bond.

16. (Amended) The method according to claim 38 wherein the bond is a supersedeas bond.

17. (Amended) The method according to claim 38 wherein the network is accessed by a password and the bond is accessed by said authorization code.

18. (Cancelled)

19. (Cancelled)

20. (Amended) The system according to claim 41 wherein a contractor is provided with said authorization code that is presented at a bid letting along with said contractor's bid, said authorization code permitting an owner/obligee to receive an approved bond through said computer network.

21. (Amended) The system according to claim 41 wherein the bond is a



surety bond.

22. (Amended) The system according to claim 41 wherein the bond is a bid bond.

23.(Amended) The system according to claim 41 wherein the bond is a contract bond.

24. (Amended) The system according to claim 41 wherein the bond is a court bond.

25. (Amended) The system according to claim 41 wherein the bond is a subdivision bond.

26. (Amended) The system according to claim 41 wherein the bond is a performance bond.

27. (Amended) The system according to claim 41 wherein the bond is a customs bonds.

28. (Amended) The system according to claim 41 wherein the bond is a notary bond.

29. (Amended) The system according to claim 41 wherein the bond is a liquor license bond.

30. (Amended) The system according to claim 41 wherein the bond is a license bond.

31. (Amended) The system according to claim 41 wherein the bond is a permit bond.

32. (Amended) The system according to claim 41 wherein the bond is a

Small Business Administration bond.

33. (Amended) The system according to claim 41 wherein the bond is a bail bond.

34. (Amended) The system according to claim 41 wherein the bond is a supersedeas bond.

35. (Amended) The system according to claim 41 wherein the network is accessed by a password.

36. (Cancelled)

37. (Cancelled)

38. (New) A method of obtaining a surety bond over a computer network comprising:

- a) an agent selecting a surety from one or more sureties that have approved said agent to issue surety bonds on said surety's behalf;
- b) providing said surety over a computer network with the identity of an applicant requesting said bond and such other information said surety may require about said applicant;
- c) receiving from said surety a decision on whether the bond is approved;
- d) providing an authorization code for an approved bond to said applicant to be submitted to a third party requiring said bond;
- e) permitting said third party requiring said bond to use said authorization code to access said bond issued by said surety;

- f) issuing said surety bond through said computer network to said third party after receipt of the authorization code

39. (New) A method of obtaining a surety bond comprising:

- a) selecting a surety from one or more sureties that have approved an agent to issue surety bonds on said surety's behalf
- b) providing said surety with the identity of a contractor and such other information said surety may require about said contractor over a computer network
- c) selecting the type of bond desired by said contractor
- d) providing said surety with information on a contract to be performed by said contractor for which a bond is required
- e) receiving from said surety a decision on whether the bond is approved
- f) providing an authorization code for an approved bond to said contractor to be submitted with said contractor's bid
- g) permitting a third party that requires said bond to use said authorization code to obtain the bond issued by said surety

40. (New) A method of obtaining information concerning a surety bond comprising:

providing a computer network with the identity of an applicant who requested a bond and such other information about said applicant that is requested by said surety;

selecting a surety;

said surety making a decision on whether to issue a bond based on the applicant's information provided to said computer network;

said surety providing said computer network with an authorization code for an approved bond;

a third party accessing said computer network by providing said network with said authorization code;

obtaining from said computer network information concerning said bond

41. (New) A system for obtaining a surety bond comprising:

- a) a means for an agent to select a surety from one or more sureties that have approved said agent to issue surety bonds on said surety's behalf;
- b) a means for providing said surety with the identity of an applicant requesting said bond and such other information said surety may require about said applicant over a computer network;
- c) a means for receiving from said surety a decision on whether the bond is approved;
- d) a means for providing an authorization code for an approved bond to said applicant to be submitted to a third party requiring said bond;
- e) a means for permitting said third party requiring said bond to use said authorization code to access said bond issued by said surety;

- f) a means for issuing said surety bond through said computer network to said third party after receipt of the authorization code

42. (New) A system of obtaining a surety bond comprising:

- a) a means for selecting a surety from one or more sureties that have approved an agent to issue surety bonds on said surety's behalf
- b) a means for providing said surety with the identity of a contractor and such other information said surety may require about said contractor over a computer network
- c) a means for selecting the type of bond desired by said contractor
- d) a means for providing said surety with information on a contract to be performed by said contractor for which a bond is required
- e) a means for receiving from said surety a decision on whether the bond is approved
- f) providing an authorization code for an approved bond to said contractor to be submitted with said contractor's bid
- g) permitting a third party that requires said bond to use said authorization code to obtain the bond issued by said surety

43.(New) An apparatus for obtaining a surety bond comprising a web browser running on a client work station, said work station being in communication with a webserver over a connection means;

said workstation being capable of selecting a surety from one or more sureties that

have approved an agent to issue surety bonds on said surety's behalf;

said workstation being capable of providing the selected surety with the identity of an applicant requesting said bond and such other information said surety may require about said applicant;

said workstation being capable of receiving from said surety a decision on whether said bond is approved;

said work station permitting a user to access an authorization code for an approved bond;

a second work station workstation permitting a third party receiving said bond to access said bond issued by said surety through said authorization code;

said second workstation issuing said bond to said party.

44. (New) The method according to claim 38 wherein said agent provides said surety with a name of a contractor, said contractor's address, the identity of an owner/ obligee for whom the bond is required, an identification of the bond form required, an estimated contract price, an amount of the bid security, a contract number or IFB number, and a description of the job.

45. (New) The method according to claim 44 wherein said owner/obligee is a governmental agency, a private owner, a construction manager, or a general contractor.

46. (New) A method of obtaining a surety bond over a computer network comprising:

- accessing the website of a bonding agency through a login and a password;
- entering a bond request;
- providing a name of a contractor, said contractor's address, the identity of an owner/ obligee for whom the bond is required, an identification of the bond form required, an estimated contract price, an amount of the bid security, a contract number or IFB number, and a description of a job for which the bond is required.
- selecting a surety for issuing a bond from one or more surety companies that have pre-approved an agent applying for said bond;
- selecting a bond from the group consisting of bid bonds, contract bonds, court bonds, subdivision bonds, performance bonds, customs bonds, notary bonds, liquor license bonds, license bonds permit bonds, small business administration bonds, bail bonds, and supersedeas bonds;
- transmitting the information obtained electronically to said surety company,
- requesting approval of the bond from said surety company,
- upon approval of the bond by the surety company providing the contractor with a code for accessing the bond
- providing an owner/obligee with said code at the bid letting.
- permitting said obligee to log onto the system through the use of said code to review the bond.

47. (New) A method of obtaining a surety bond over a computer network

comprising:

accessing the website of a bonding agency through a login and a password;

entering a bond request;

providing a name of the party applying for the bond, said party's address, the identity of a third party owner/ obligee for whom the bond is required from said applicant, an identification of the bond form required, an estimated contract price, an amount of the bid security, and a description of a job for which the bond is required.

selecting a surety for issuing a bond from one or more surety companies that have pre-approved an agent applying for said bond;

selecting the type of bond;

transmitting the information obtained electronically to said surety company,

requesting approval of the bond from said surety company,

upon approval of the bond by the surety company providing the contractor with a code for accessing the bond

providing an owner/obligee with said code at the bid letting.

permitting said obligee to log onto the system through the use of said code to review the bond.